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ABSTRACT

About 28 percent of the population of Sweden is aged 55 or over. This figure will grow to about 37 percent in the year 2025. Sweden leads the industrialized countries in terms of employment of older workers, with about 65 percent of persons aged 55-64 employed. This is a result of the current general high employment rate in Sweden; however, older workers in Sweden, as in all Western countries, are especially prone to becoming long-term unemployed. Training policies in Sweden are not especially targeted at older workers. Older workers take up only 1 percent of the training offers open to all age groups, because older job seekers are often registered as looking for training simply in order to get their unemployment insurance benefits until they reach the legal age of retirement. Because there is hardly any specially targeted training activity, older people take part in various education courses offered in adult education. The participation rate of the 45-64 age group was 20 percent in 1982; 13 percent of the 65-74 age group participated. The reasons for the relatively low participation rate are that the study grants did not, as a rule, go to people above age 45, and that many beyond that age were afraid of using their right to take study leave from work. Preparing for retirement is the only specially targeted training activity. The Swedish Government has established a special group within the social ministry that is to stimulate discussion about the situation of older people in today's society. (17 references) (KC)

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Discussion Paper No. 38

TRAINING OF OLDER WORKERS IN SWEDEN

by

Hans Berglind

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June 1989

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PREFACE

This report on the training situation of older people in Sweden has been produced in the framework of ILO research dealing with training and retraining needs of older workers and individuals in industrialised countries.

The author, who finished writing in September 1988 was asked to consider the following guidelines:

- *What is the demographic and employment situation of older people in Sweden?*
- *What impact do current pension schemes have on older workers?*
- *Do the government, the employers, and the union have any training policies for older workers?*
- *Are there acts, laws, rules or regulations concerning training of older workers?*
- *Are there regular training procedures, pilot projects or experiments targeted at older people?*
- *Is any impact from initial training to be seen?*
- *Is there any incorporation of the results obtained into training and education policies?*
- *Which are the main institutions and organisations and who are the well-known individuals active in this field?*

The findings are based on published research, papers received on request, and the profound knowledge of the author.

In the first section, the report gives an overview of facts and figures on the demographic and employment situation in Sweden. The second section deals with training policies for older workers. Section 3 gives an overview of adult education. Section 4 refers to preparation for retirement. And section 5 sums up the overall perspective.

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FOREWORD

For many years, following a steadily growing birth rate, some industrialised countries have had only one problem with older workers: they retire too late. The best way to make room for young people in the labour market was to encourage older workers to leave. Age 65, once the minimum retirement age, quickly became the maximum. But at present, this development is causing concern rather than contentment. With fewer young workers entering the labour force the position of older workers will have to be reconsidered.

Statistics show a rapidly ageing population in many industrialised countries. This trend has its roots in rising life expectancy, low-birth rates and the maturing of the post-war baby boom generation. In 1985, Germans aged 55 or more comprised about 27.4 per cent of the total population; by the year 2000, the proportion will have risen to about 32 per cent, by 2025 to about 44 per cent. By the turn of the century, this age group could account for nearly 29 per cent in Sweden, 28 per cent in Japan and Italy, 26 per cent in the UK and Belgium, 22 per cent in Canada and in the US.

Despite their growing numbers, these older people hold a diminishing share of the labour force, following the current trend of being "carried out" of the labour force by various means. From 1970 to 1985 the labour force participation rate of men aged 55-60 in Germany declined from 89 to 79 per cent; the rate of the 60-65 age group from 74.7 to 33 per cent.

The ILO has recently started studying the training and retraining of older individuals in some industrialised countries. The "Older Workers Recommendation (162) 1980" (adopted on 23 June 1980 by the General Conference of the ILO) reveals the early interest of the organisation in this topic. Subsequently, the ILO (financially assisted by the Federal Republic of Germany) began to review policies for the training and retraining of older workers. The study focuses on the ability of older workers to hold their jobs, to find a job, to be mobilised into self-employment, and to make their long evening of life useful to themselves and the community.

First findings of the main exploration project suggest:

- *Old age is no handicap to learning.*
- *Older workers have a proven track record.*
- *Pre-retirement education is becoming widely available.*
- *Leisure time education is common.*
- *Senior service is only timidly used.*
- *On-the-job training for older workers may be usual but is mostly invisible.*
- *Training for the job is scarcely used.*

The participation rate of older people in training or education courses is very low.

This is one of several discussion papers dealing with the training needs of older workers in industrialised countries.

1. THE DEMOGRAPHIC AND EMPLOYMENT SITUATION

1.1 The older population[1]

Sweden has 8.4 million inhabitants. A fairly high proportion of its inhabitants are in the higher age brackets. No less than 17.8 per cent of the population belong to the 65-plus age group, while 10.3 per cent belong to the 55-64 age group.

The most common age of retirement in Sweden is 65, an age at which people start collecting their old-age retirement pension. The number of people above that age is 1.5 million in 1988, a figure which is expected to increase to 1.8 million in the year 2025. The greatest increase will take place among the very old, i.e. those aged 80 and above. This category will, during the same period increase by 38 per cent from 349,000 to 483,000, while the total population is predicted to remain almost constant.

1.2 Pension schemes and early retirement[2]

1.2.1 The old age pension system

Today's Swedish old-age pension system has three tiers: (i) basic pension; (ii) supplementary State pension (ATP); and (iii) additional pensions through union contracts.

In addition, a person can buy a private pension insurance (tax-deferred) which for high-income earners can be a way of transferring income to a later age when the marginal tax rate would be more favourable. There is also a partial pension scheme, which we shall deal with separately.

The basic pension is paid from the age of 65, irrespective of earlier income. Pension benefits are reduced for retirement before age 65 and augmented for retirement after age 65. Persons whose work capacity has been reduced by at least half can obtain the basic pension as a disability pension. Widows' pension and child pension are also available. A single person will receive 96 per cent of the basic amount (25,800 Crowns in 1988) and a couple will receive 157 per cent. In addition to that, persons receiving little or no supplementary pensions (ATP) will receive a pension supplement over and above basic pensions. Those having a low ATP pension will also be entitled to a housing allowance. This is an income-tested benefit which is paid by the local government with subsidies from a national State grant.

The highest pension supplement is 48 per cent of the basic amount. An unmarried disability pensioner receiving no ATP will get 96 per cent in addition to the basic pension. These amounts will be free of tax, but if a person earns a higher income it will be taxed.

The supplementary pension (ATP): old-age pension from ATP amounts to 60 per cent of the yearly earnings, based on the average earnings during the best paid years. There is an upper limit at 7.5 times the basic amount, which is indexed. This means that a person can get up to 60 per cent of 193,500 Crowns in 1988.

To get a full ATP pension, a person has to have worked for a minimum of 30 years (20 for those born in 1896-1914). The ATP can be paid as a part of a disability pension. Widows' and child pensions are also a part of this system.

Negotiated pensions: in addition to the above-mentioned pension, a person will, as a rule, receive a certain amount according to a labour-management contract. These contracts vary but they will, as a rule, guarantee a person some additional 5-10 per cent on his ATP plus 65 per cent of incomes above the ATP ceiling of 7.5 times the basic amount.

1.2.2 Partial pensions[3]

A partial pension scheme, which was introduced in 1976, the same year as the pension age was lowered from 67 to 65, has attracted great international interest. A gainfully employed person between the ages of 60 and 65 can reduce his or her number of working hours and receive a partial pension, under both the basic and the ATP pension schemes. To be entitled to such a pension, a person shall: (a) have earned ten years of credits after the age of 45; (b) have been employed for at least five out of the last 12 months; and (c) have worked at least 22 hours per week immediately before making a claim.

The weekly hour of work can be reduced by at least five hours. The person must work for at least 17 hours per week. When this pension plan was introduced, the Government undertook to replace 65 per cent of the wage loss, without reducing the size of the regular pension received at age 65. In 1981, the non-socialist Government, which had replaced the Social Democrats in 1976, reduced the compensation level from 65 to 50 per cent due to the growing cost of this popular programme.

In 1980, when the partial pension scheme had been in operation for four years, 27 per cent of those entitled to get such a pension were receiving it. In 1981, when the benefit level had been lowered the number of new applications dropped drastically. In 1987, the compensation level was restored to the original level of 65 per cent and the number of new applicants went up considerably (see table 1, p. 18)

Göran Crona, who has made an evaluation study of the partial pension scheme, found that a large majority of those receiving partial pensions were very positive about this pension plan. Eighty per cent thought that the gradual retirement would make the transition from work to retirement easier. Absence from work due to sickness was less frequent than in a comparable group working full time, and so was disability retirement. Among the objectives of the partial pension reform were (a) lowering the risk of health problems; (b) lowering the rate of premature full retirement; and (c) easing the transition from working life to retirement. Regarding these specific issues the reform must be assessed as very successful. The problem was rather that it became too popular just at a time of adverse economic conditions.

1.2.3 Early retirement

In Sweden a person can retire prematurely (before the age of 65) due to disability. To get such a pension, his or her work capacity should be at least half of full capacity. If this reduction is assumed to be temporary he/she will get only a temporary disability pension, otherwise a permanent one will be given. Part-time disability pensions are also available, but are rather rare.

People between the ages of 60 and 65 can retire prematurely on the same scheme for "labour market reasons", which means that the chances of getting a job are very limited. If a worker has lost the right to collect unemployment insurance benefits (after 450 days for older workers) and is above age 60, he/she is automatically entitled to a pension without being disabled. The majority of people in that age group will, however, not retire for labour market reasons, but because they are incapacitated for work.

The number of people who receive an early pension has increased considerably in recent years. In the mid-60s the number of entrants to this scheme was approximately 20,000 per year. At the beginning of the 70s, the number more than doubled and has followed a change in the Social Security Act, which made it easier for workers aged 60-64 to retire if they could not find a job in the area where they lived. Interestingly enough, the number of pensioners below 60 also increased, although this age group was not covered by legislation.

The total number of people who received a premature retirement pension was 246,000 in 1976, the year when the "normal" pension age was lowered to 65. In 1987, the number had increased by 37 per cent to approximately 337,000. A high proportion (62 per cent) are in the 55-64 age group. Of all people aged 55-59 who are covered by the pension scheme, 16 per cent received a premature retirement pension at the end of 1987. The corresponding figure for the 60-64 age group is 31 per cent.

In 1980, approximately 3,600 people between the ages of 60 and 65 received an early retirement pension for "labour market reasons". This number increased each of the following years to reach 10,600 in 1985.[4] This development is probably a result of the increase in the unemployment rate that took place in the early 1980s. Many older workers who have lost their right to unemployment compensation retired prematurely thus keeping the unemployment rate down. Since then the numbers have gone down again. According to preliminary figures, approximately 6,000 persons retired for "labour market reasons" in 1987.

1.3 Employment market trends

Compared to many other highly industrialised countries, Sweden has a very low overall rate of unemployment. At the same time, its employment/population ratio is the highest among all the OECD countries.[5] This does not mean, however, that the Swedish labour market has been without its problems. The number of unemployed increased during the first half of the 1980s. In 1983, the unemployment rate peaked at 2.9 per cent of the labour force as a yearly average, a figure that meant 127,000 unemployed.[6] During the same time, there was an increase in the average duration of unemployment. In 1964, long-time unemployment (more than six months) accounted for 8 per cent of total unemployment, in 1975 for 15 per cent and in 1986 for 22 per cent.[7] It has been estimated that if the average duration of unemployment had been constant since 1970 the unemployment rate in 1985 would had been 1.3 per cent and not 2.8 per cent (op cit, p 28).

Older workers are especially prone to become long-term unemployed. In 1984-85, this age group accounted for almost 50 per cent of all unemployment lasting more than six months. After 1985, there was a certain decrease in long-term unemployment as well as in the overall unemployment rate.

Since 1970, interesting changes have taken place in the employment patterns for people aged 55 and above. As can be seen from table 2 (p. 19), the patterns are different for men and for women.

In the 55-59 age group a certain decrease has taken place in the employment ratios for men, while a remarkable change has taken place for women. In 1970, 52 per cent were employed and an increase to 86 per cent is expected to take place in the year 2000. This year women in that age group will have reached the same employment

level as men, although more of the women will be employed part time.

In the 60-64 age group a rather marked decrease is expected to take place for men, i.e. from 78 per cent in 1970 to 62 per cent 20 years later. Between 1990 and 2000, the employment level is expected to remain the same, a prediction that might very well turn out to be over-optimistic. For women a continued increase in the employment level is expected, from 38 per cent employed in 1970 to 52 per cent in the year 2000.

For people above the retirement age of 65 the decrease is expected to continue.[8] In the year 2000, only 5 per cent of men and 3 per cent of women are expected to be gainfully employed.

1.4 Overall perspective

As pointed out above, Sweden has an ageing population. The increase in absolute as well as in relative numbers of older people means that in the future, relatively fewer people have to pay for the pensions for a growing group of elderly people. This has recently (1988) caused some debate about increasing the age for receiving a retirement pension or making it easier for people to work after the age of 65. So far this debate has not had any noticeable impact on political decisions. The present pension age of 65 was introduced only in 1976, when it was lowered from age 67. So far it has probably not been politically feasible to increase this age level again.

Even if Sweden has had a high labour force participation rate and a low unemployment rate compared to many other countries for many years, there still are some problems, especially related to the older segment of the labour force. A rather high number of people in the 55-64 age group became long-term unemployed in the first half of the 1980s and many of them did not return to work but instead retired prematurely between the ages of 60 and 65. These changes can be explained in different ways. In a recent report from the Ministry of Labour,[9] the decrease in labour force participation among older workers is explained as a result of two factors: changes in the rules for receiving a premature retirement pension and the increase in compensation level to the early retirees. This explanation goes back to a study by Wadensjö (1985).[10]

Behind the changes of the roles and the increase of the compensation level there may well be other reasons, such as growing difficulties for older workers to get new jobs once they are laid off from the workforce. Not only may older workers prefer to retire when they have lost their former jobs. They have at least during the mid-1980s, also had great difficulties finding a new job.[11] With a decrease in the overall rate of unemployment we may expect a decrease also in long-term unemployment among older workers as well as in premature retirement. This is what happened after 1985. Older workers are thus very vulnerable to changes in overall demand of labour.

2. TRAINING POLICIES FOR OLDER WORKERS

Most policy documents and measures in the field of training do not explicitly deal with specific age groups such as people between the ages of 55 and 65. They are merely general in scope. We shall therefore, first of all, see what general policies exist and then to what extent they are applied to people in the age 55-plus population.

2.1 The Government[12]

Measures for training or retraining of workers should be seen against the background of Swedish labour market policy and economic policy in general. The central goal of this policy is full employment. In a number of political documents, the expression "work for everyone" has been used. This reflects that a low level of unemployment is not a sufficient description of the goal of employment policy. "Work for everyone" reflects the aim of providing an increased number of people - women as well as men - with the opportunity to participate in the labour market.

To reach that goal the government tries to promote a rapid and effective match between supply and demand of labour so that unemployed persons obtain work and vacancies are filled up as soon as possible. This is a task for the Employment Service. According to the Minister of Labour, "Labour market policy intervention can be said to aim at eliminating or modifying effects of various market imperfections with a view to better resource utilisation, leading to increased production and higher employment".[13] Cash benefits are seen only as a last resort when no other programmes are suitable or available (ibid., p. 21).

Vocational training is seen as a highly important component of an active labour market policy. As such it is an instrument used by the Employment Service. Vocational training serves to bring the qualifications of jobseekers into line with employers' labour demands. According to the official policy, the training provides support for persons who are disadvantaged in the labour market, while at the same time making it easier for the Employment Service to fill job vacancies. "In this way economical growth is stimulated and, by counteracting production bottle-necks, training also relieves the pressure of inflation."[14] More and more vacancies are reserved for people with educational experience. Technical progress and ongoing structural change is expected to continue to make heavy demand on further training for people seeking employment.

The division of labour concerning vocational training can be summarised as follows:

The National Labour Market Board (AMS), which is the central authority, distributes funds to the County Employment Board and lays down guide-lines. The County Employment Board assesses training needs in each county and subsidises training. The Employment Service provides input documentation for planning by the County Employment Board, refers jobseekers to courses, and places course participants in employment after training. The Labour Market Training Service (AMU) was established in 1986, and organised by the County Employment Board in the form of vocational training.

Over the past five years, between 115,000 and 130,000 people annually, i.e. roughly

2.5 per cent of the Swedish labour force have taken part in vocational training. Most of the people who undergo this training are unemployed and have been offered training by the Employment Service. As a rule, the courses are specially organised for unemployed adults, but it is also possible, in individual cases, to give training allowances for studies in the formal education system. The third type of vocational training occurs when an employer arranges training for employees and grants towards the cost of training are paid by the County Employment Board.

Despite the fact that people in the 55 plus age group are at a disadvantage in the labour market, only one per cent of them take part in training programme. This does not in any way correspond to the rate of unemployment in that age category. Why is this the case? One explanation is that many people over 55 are jobseekers only in a formal sense. They may be registered at an employment service agency in order to collect their unemployment insurance benefits until they reach the age of 60 when they will be entitled to a premature retirement pension. They are thus not very motivated to seek a job and, at the same time, they will have great difficulties in finding a new job, especially if they do not undergo any further training.

It looks as if the ambitious goals of the Swedish labour market policy do not apply to people of age 55 and above.

2.2 The Unions

As in the case of the government the labour unions do not, on the whole, have any explicit policy for training of workers in the 55-plus age group. The Swedish Trade Union Confederation (LO) deals with this matter indirectly, when discussing labour market and pension policy. In a report presented to and accepted by the 1986 LO Congress, the board (Landssekretariatet) discusses the situation for older workers under the heading "Pension of work".[15]

In this report it is pointed out that it is usually older workers that are eliminated or excluded from the workforce due to structural changes. Their labour force participation rate has been drastically reduced since 1970 and a great number have, as already mentioned above, received a premature retirement pension. It has been found that, at a plant closure, approximately half of the older workers never return to the regular labour market. Many of these workers find it a relief to be able to leave physically very trying working conditions. Many of those that retire at 65 may have worked for 50 years.

According to the LO report a policy for older workers should build on a balance between three principles: the first principle would be to use active labour market policy measures to secure work for older workers. The second principle is the equal right of all employees to receive a disability pension on medical grounds. The third principle is "real freedom of choice". People who want to continue working should have this possibility but no one should be forced to stay.[16] For many LO members, i.e. blue-collar workers, an early retirement seems fair because they have sacrificed a great deal when they have often carried out strenuous work for many years.

LO suggests a step-wise strategy for dealing with problems connected with older workers: First, one should investigate if the employers' fees that are paid into the social security funds could be changed so employers with many employees above 45 years of age would be favoured. Second, employers who break the seniority principle and dismiss older workers, should pay a certain fee.[17] Third, when a plant is closed or the workforce reduced for other

reasons, the employer and the community should plan production and retraining together so that it gives time for adjustment to new conditions. Along this line an agreement was reached between the LO and the SAF (Swedish Managers Association) to set up a Foundation, called "Trygghetsfonden SAF-LO", with the task of furthering the security of workers who run the risk of being dismissed due to production cutbacks, plant closures, etc. One way of doing this is by undertaking training. Fourth, the Employment Services should be strengthened, and vocational training should be used even for people who are 58 years of age (i.e. the age at which people who become unemployed "automatically" become entitled to a premature pension at age 60). Fifth, a time limited subsidy to employers who hire older workers. Sixth, a special insurance for those over age 55 providing a temporary pension. To qualify for such a pension a person should have a long employment record. The Employment Services should offer jobs to people in that category but they would not have to accept offers of jobs which would demand retraining or moving to another place. Seventh, a partial or premature pension should only be the last resourt. There are apparent parallels between the statements made by the ILO and the Social Democratic Government. However, the principles applying to older workers have, so far, not been put into practice.

2.3 The employers

Statistics Sweden (SCB) has carried out surveys of all education and training paid by employers.[18] According to the last survey, covering the first half of 1987, 584,000 men and 526,200 women took part in such programmes. This means that about one-fourth of those employed received training of some kind. There are, however, the great differences between different categories of employees. On the average approximately 20 per cent of blue-collar workers, i.e., those organised by LO, participated for 2.3 days. The corresponding figures for salaried employees belong to TCO are 38 per cent and 4.3 days and for SACO members (i.e. those with an academic education), 48 per cent and 6.0 days. This means that those with the best education get the most of this training.

According to available statistics older people get less training than the average. While 25 per cent of all employees participated in some kind of training programme, the figure for those 56-64 years of age is 18 per cent. The older ones who participated did so far fewer days, than did their younger colleagues.[19]

2.4 Non-governmental organisations

There are three Foundations that can play an important role in connection with further training of older workers. These are "The SAF-LO Employment Security Fund" (Trygghetsradet SAF-LO), "The SAF-PTK Security Fund" (Trygghetsradet SAF-PTK), and "The Security Fund for Municipalities and County Councils". These foundations have similar objectives but are directed to different groups of employees. The SAF-LO fund is for the blue-collar workers, the SAF-PTK fund for salaried employees within private industry while the last fund is for those employed by the municipalities and county councils.

The SAF-LO fund was formed by SAF and LO jointly, with the task of promoting:

- the welfare of employees who run a risk of being, or have been, dismissed as a result of operation cutbacks, company shutdowns, rationalisation of firms, businesses, etc.;

- employment, by developing existing companies and raising their efficiency and by establishing new enterprises.

Money is channelled to the Fund via a charge based on collective agreements and on the wage bills of companies in the SAF-LO sphere of collective bargaining.[20] Grants have been given for purposes like training for new jobs inside or outside a certain company and for training of permanent employees to create vacancies for surplus personnel.

The two other funds have similar purposes. The SAF-PTK fund gives 50 per cent subsidies for salaries for employees undergoing training. Special rules apply to older workers. Employees 55 and above who have been employed for at least 10 years will be guaranteed their salary for 12 months and after they have been notified. The fund will also cover certain payments for them to a pension fund so that they will receive full old-age pensions.[21] In certain cases an early retirement pension will be offered.

3. ADULT EDUCATION[22]

In the late 1960s and the early 1970s, a number of reforms were introduced in order to improve the possibilities for adults to undergo further education and training. One reason for these reforms was that they should further progress in the Swedish economy (Vuxenutbildning, p. 22). Retraining and further education were seen as important means to such an end. Besides this there was also room for satisfying individual needs for improved educational possibilities. Another motive, that was explicitly stated, was to diminish the cleavages in educational background between and within generations.

"Adult education" is a generic term for many different forms of education and training. It covers municipal education of adults (komvux), basic education for adults (grundvux) education at State schools for adults (SSV), education at "peoples' high schools" (folkhögskolor), "study circles" organised by different organisations and "labour market training" (i.e. vocational training, described in section 2.1, above). In 1985, a special Act on Adult Education was launched. This Act has a general provision to the effect that municipalities and counties should further adult education. It also contains rules and regulations for "grundvux", "komvux" and "SSV".

Komvux is directed to all adults who need education at the basic level (first nine years of compulsory education) or at the high school (gymnasium) level. Priority should be given to those who have the lowest education. Another important target group includes people who want to seek employment, change jobs or become qualified for further studies, e.g. at the university level.

Grundvux is intended for those adults who need training in basic skills such as reading, writing and arithmetic. In 1983-84, approximately 17,000 adults participated. SSV is a rather small programme for adults who cannot get the education they need where they live. It consists of shorter courses often in combination with correspondence studies.

The Peoples' High Schools (folkhögskola) have a long tradition in Sweden. They were founded in 1868 and are thus the oldest form of adult education. These schools are run by different organisations. The number of schools amounted to 125 in 1985-86 with approximately 16,000 students. Study circles organised by different voluntary organisations are subsidised by a government grant. In 1984/85 the number of subsidised hours was 8.8 million.

It is, of course, not possible to give any detailed description of all the different adult education programmes. We shall, however, give some data about age distribution for the participants.

As can be seen from table 3, approximately 30 per cent of the population between the ages of 25 and 44 participated. In the 45-64 age group the participation rate dropped to 20 per cent and among the 65-74 age group to 13 per cent.[23]

The reasons for the relatively low participation are that the study grants did not, as a rule, go to people over 45 and that many above that age were afraid of using their right to take study leave from work.

4. PREPARING FOR RETIREMENT

There are two leading organisations for people who have retired. One is Pensionärernas Riksorganisation (PRO) and the other Sveriges Pensionärsförbund (SPF). They are independent of political parties although PRO, which is the largest of the two, is generally regarded as being closer to the labour movement. These organisations have among their main objectives to defend the interests of the pensioners and to organise study programmes, travel, etc.

Of special interest in this connection are programmes that aim at preparing people for retirement. An example of such a programme is "Aren som kommer" (the years that will come).[24] This is a kind of study-guide, that can be used as a basis for study groups dealing with the situation for those who have or are about to retire. Such a study group will deal with matters such as facts and attitudes concerning ageing, medical questions, economic and legal matters concerning the aged, housing and institutions for the aged, how to survey and affect the situation for old people, etc. PRO also operates a special "folkhögskola" (peoples' high school) that offers 15-weeks basic as well as continuation courses in areas such as history, psychology, languages, social sciences, etc.

5. OVERALL PERSPECTIVE

Compared to most other highly industrialised countries, Sweden has a high labour force participation rate among workers in the 55-64 age group. The decline in labour force participation rates has also been less dramatic in Sweden than in many other countries. But there has been a decrease and a corresponding increase in premature retirement.

Although many policy statements, at least indirectly, indicate the importance of training for older workers, these principles have not been adopted in practice to any great extent. There is however, a growing awareness of the need for such training at the workplace in order to develop the competence of the workforce and prevent older workers from dropping out from the labour force.

Ake Dahlberg, head of the Research Secretariat at the Swedish Ministry of Labour, has emphasised this point in a recent paper.[25] He pointed out, that Swedish labour market policy, so far, has focused on the external labour market. But, more than 70 per cent of the Swedish labour force is employed by companies and organisations with over 100 employees (the corresponding figure for the US is 60 per cent). Between now and the turn of the century, the number of young people between the ages of 16 and 24 will diminish by almost 20 per cent at the same time as the population between the ages of 55 and 59 will increase by 35 per cent. This means that a growing part of the mobility between positions will take place within rather than between the companies. "Thus there are several arguments to suggest that the internal labour markets will have an increasingly important bearing on the adjustment process in the labour market of tomorrow" (op. cit p. 4). Dahlberg thinks that heavier emphasis on the development of skills and competence at the workplace can be justified with reference to a number of goals of economic and social policy. One such goal is to reduce "rejection in the labour market". This applies, for example, to elderly workers, who at present are separated from younger workers by a widening education gap. Support for competence development can also be expected to reduce unemployment and early retirement[26] by stemming wastage from the labour force. In this way, support for competence development can be expected to reduce unemployment through two distinct mechanisms: firstly, increasing access to first-time jobs for those who are already unemployed, and secondly, by helping to save employees from rejection and unemployment" (ibid, p. 8).

SUMMARY

The present demographic figures for Sweden show that about 28 per cent of the population is 55 or over. This figure will amount in the year 2025 to about 37 per cent, which is according to the average in Europe. This is also true for the 55-64 age group; however, considering those of 65 and over, Sweden will reach the top group among the European countries after Switzerland and the Federal Republic of Germany. As to the activity rate of people aged 55-64, Sweden leads the top group among industrialised countries with about 65 per cent, followed by Japan and the German Democratic Republic. This is due to the current general high employment rate in Sweden. Nevertheless, older workers in Sweden (as in all considered countries) are especially prone to become (long-term) unemployed.

Training policies in Sweden are not especially targeted at older workers, particularly since there is scarcely a reason to do so. This is true for the government, unions, and the employers. Even older workers take up only one per cent of training offers open to all age groups. This is due to the fact that older jobseekers are often only registered in order to get their unemployment insurance benefits until they reach the legal age of retirement.

Since there is hardly any specially-targeted training activity, older people take part in various education courses offered in the framework of adult education. The participation rate of the 45-64 age group was 20 per cent in 1972; of the 65-74 age group, it was 13 per cent. The reasons for the relatively low participation rate are that the study grants did not, as a rule, go to people above age 45 and that many beyond that age were afraid of using their right to take study leave from work. Preparing for retirement is the only specially-targeted training activity.

The Swedish Government has established a special group within the social ministry which is to stimulate discussion about the situation of older people in today's society.

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3. Helen Ginsberg: "Flexible and partial retirement for Norwegian and Swedish workers", in *Monthly Labor Review*, vol. 108, no.10, October 1985.

4. Riksförsäkringsverket, Statistikinformation Is-1 1986: 18.

5. OECD: *Employment outlook* (September 1987), chart 1.2.

6. Ministry of Labour: *The labour market and labour market policy in Sweden* (Stockholm, February 1988).

7. ---. *The labour market and labour market policy in 1986 - with an outlook towards 1990* (Stockholm, 1988), p. 3.

8. The Swedish labour force surveys have an upper limit at 75 and include people between the ages of 16-74.

9. Ministry of Labour: *Arbetsmarknad och arbetsmarknadspolitik, op. cit., p. 24-25.*

10. *Disability pensioning of older workers in Sweden,* A comparison of studies based on time series and cross-section data (Meddelande, Institute for Social Research, University of Stockholm, 15/1985).

11. H. Berglind: "Happy losers?: A study of laid-off metalworkers and the Swedish Welfare System", in *Studies in Social Work*, no. 5, 1988.

12. The following account is based primarily on two sources: (a) *Employment training* (Stockholm, National Labour Market Board, 1988); (b) *The labour market and labour market policy in Sweden* (Stockholm, Ministry of Labour, February 1988).

13. Ministry of Labour: *The labour market and labour market policy in Sweden*, op. cit., p. 20-21.

14. *Employment training*, op. cit., p. 6.

15. The report is entitled *Gemensamt ansvar för arbete* (Joint responsibility for work), LO, Stockholm, 1986.

16. From an outsider's point of view these principles may seem rather vague and difficult to reconcile, as is usually the case with general principles.

17. According to the Security of Employment Act the order of dismissal has to follow the seniority principle. The Act allows this and other provisions to be modified by collective agreements between employers and unions.

18. Statistika Centralbyran: *Personalutbildning varen* 1987.

19. More detailed data, e.g. cross tabulations of occupation by age, are not available.

20. SAF-LO Security Fund: *The Fund which transforms threats into opportunities.*

21. Trygghetsradet SAF-PTK: *Insatser för tjänstemän.*

22. Ministry of Education: *Vuxenutbildning* (Adult Education) (Stockholm, DSU, 1985).

23. Figures for the years after 1983 are not available, nor for the 55-64 age group.

24. Brevskolan: *Aren som kommer - ett studiematerial om pensionsaldems möjligheter,* Study material published for PRO and Folksam (Stockholm, 1984).

25. A. Dahlberg: *Competence development at workplaces as a renewal of the Swedish policy of structural change,* Paper presented at a Conference on "Structural Change and Labour Market Policy" organised by the Swedish Centre for Working Life, 6-9 June 1988.

26. I have preferred the term "premature retirement" referring to what Dahlberg calls "early retirement".

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TABLES

Table 1. Applications for partial pensions and number of people receiving such pensions at the end of each year

Year	Number of applications	Total No. of recipients (%)	Percentage of those entitled
1976	20 422	14 560	7
1977	21 445	31 509	12
1978	19 621	41 913	16
1979	21 614	48 654	22
1980	37 408	67 837	27
1981	14 026	64 641	24
1982	14 800	61 732	22
1983	10 700	54 637	20
1984	10 200	47 204	17
1985	9 600	37 638	13
1986	8 300	32 180	12
1987	14 700	35 736	13

Source. Riksförsäkringsverket, Statistikinformation ls-1 1988:3.

Table 2. Employment/population ratio for men and women in 1970 and 1980 and predictions for 1990 and 2000 (per cent)

	1970	1980	1990	2000
Men				
55-59	89.3	86.5	85.8	86.0
60-64	78.0	68.1	62.0	62.1
65-74	28.1	14.4	9.1	5.1
16-74	79.5	77.2	74.8	76.2
Women				
55-59	52.3	70.1	79.1	86.1
60-64	38.3	70.7	47.7	52.3
65-74	8.4	3.6	3.1	3.3
16-74	51.9	63.2	69.2	73.8

Table 3. Relative number of participants in different age groups participating in programmes subsidised by government grants in 1982-83

Age	Relative number (%)
18-19	20
20-21	25
22-24	21
25-29	30
30-34	30
35-39	31
40-44	29
45-64	20
65-74	13

Source. Vuxenutbildning, op.cit., p. 93. Includes: Participants in studiecirklar, studies organised by unions, people's high schools (folkhögskola), employment training and "komvux".